

AMENDED IN ASSEMBLY APRIL 23, 2013

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1176

Introduced by Assembly Members Bocanegra and Bonta

February 22, 2013

An act to add Article 4 (commencing with Section 128310) to Chapter 4 of Part 3 of Division 107 of the Health and Safety Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 1176, as amended, Bocanegra. Medical residency training program grants.

Existing law, the Song-Brown Family Physician Training Act, declares the intent of the Legislature to increase the number of students and residents receiving quality education and training in the specialty of family practice and as primary care physician's assistants and primary care nurse practitioners. Existing law establishes, for this purpose, a state medical contract program with accredited medical schools, programs that train primary care physician's assistants, programs that train primary care nurse practitioners, registered nurses, hospitals, and other health care delivery systems.

Existing law establishes the California Healthcare Workforce Policy Commission and requires the commission to, among other things, identify specific areas of the state that have unmet priority needs, and review and make recommendations to the Director of the Office of Statewide Health Planning and Development concerning the funding of those programs that are submitted to the Health Professions

Development Program for participation in the state medical contract program.

The bill would establish the Graduate Medical Education Fund in the State Treasury to consist of annual assessments, on insurers or health care services plans that provide prescribed health care coverage, of \$5 per covered life. The bill would require that moneys in the fund be used, upon appropriation by the Legislature, to fund grants to graduate medical residency training programs. The bill would require the Office of Statewide Health Planning and Development, in consultation with the ~~California Healthcare Workforce Policy Commission~~, *Graduate Medical Education Council*, to develop criteria for distribution of available funds. *The bill would establish the Graduate Medical Education Council to be composed of 11 members who are to be appointed as specified. The bill would require the council to, among other things, review and make recommendations to the Director of the Office of Statewide Health Planning and Development concerning the funding of the medical residency training programs and submit to the Legislature an annual report, as specified.*

This bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of $\frac{2}{3}$ of the membership of each house of the Legislature.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Article 4 (commencing with Section 128310) is
2 added to Chapter 4 of Part 3 of Division 107 of the Health and
3 Safety Code, to read:

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5 Article 4. Medical Residency Training Program Grants

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7 128310. (a) The Graduate Medical Education Fund is hereby
8 established in the State Treasury.

9 (b) Moneys in the fund shall, upon appropriation by the
10 Legislature, be used solely for the purpose of funding grants to
11 graduate medical education residency programs in California.

12 (c) Notwithstanding Section 16305.7 of the Government Code,
13 all interest earned on the moneys that have been deposited into the

fund shall be retained in the fund and used for purposes consistent with the fund.

(d) The fund shall consist of all of the following:

(1) All assessments received pursuant to Section 128311.

(2) Any interest that accrues on amounts in the fund.

(e) The Office of Statewide Health Planning and Development, in consultation with the ~~California Healthcare Workforce Policy Commission~~, *Graduate Medical Education Council*, shall develop criteria for distribution of available moneys in the fund. In developing the criteria, the office shall give priority to programs that meet the following specifications:

(1) Are located in medically underserved areas, as defined in Section 128552.

(2) Have a proven record of placing graduates in those medically underserved areas.

(3) Place an emphasis on training primary care providers.

(4) Place an emphasis on training physician specialties that are most needed in the community in which the program is located.

(f) Moneys appropriated from the fund may also be used to fund existing graduate medical education residency slots as well as new graduate medical education residency slots.

(g) Whenever applicable, the office shall utilize moneys appropriated from the fund to provide a match for available federal funds for graduate medical education.

(h) *As used in this article:*

(1) *“Council” means the Graduate Medical Education Council established pursuant to Section 128312.*

(2) *“Office” means the Office of Statewide Health Planning and Development.*

128311. (a) Every health insurer or health care service plan that provides health care coverage in this state shall pay an annual graduate medical education assessment of five dollars (\$5.00) for each covered life to the ~~California Healthcare Workforce Policy Commission~~ *Graduate Medical Education Council* for deposit into the Graduate Medical Education Fund for the purposes of this article.

(b) This section shall not apply to ~~dental-only, vision-only, or Medicare supplement plans or policies or to coverage provided under any public program, including, but not limited to, Medi-Cal or the Healthy Families Program.~~ *a specialized health insurance*

1 *policy that provides excepted benefits as described in Sections*
2 *2722 and 2791 of the federal Public Health Services Act (42 U.S.C.*
3 *Sec. 300gg-21; 42 U.S.C. Sec. 300gg-91), or Medicare supplement*
4 *coverage, or a specified disease or hospital indemnity policy, a*
5 *specialized health care service plan contract, a health care service*
6 *plan contract provided in the Medi-Cal program (Chapter 7*
7 *(commencing with Section 14000) of Part 3 of Division 9 of the*
8 *Welfare and Institutions Code), the Healthy Families Program*
9 *(Part 6.2 (commencing with Section 12693) of Division 2 of the*
10 *Insurance Code), the Access for Infants and Mothers Program*
11 *(Part 6.3 (commencing with Section 12695) of Division 2 of the*
12 *Insurance Code), or the County Health Initiative Matching Fund*
13 *program under Part 6.4 (commencing with Section 12699.50) of*
14 *Division 2 of the Insurance Code.*

15 *128312. The California Graduate Medical Education Council*
16 *is hereby established and shall consist of 11 members who serve*
17 *at the pleasure of the appointing authorities.*

18 *(a) The council shall be appointed as follows:*

19 *(1) Seven members of the council shall be appointment by the*
20 *Governor, including the following:*

21 *(A) One representative of the University of California teaching*
22 *hospital participating in Graduate Medical Education (GME).*

23 *(B) One representative of a private medical or osteopathic*
24 *teaching hospital accredited in California and participating in*
25 *GME.*

26 *(C) Two representative from managed care plans.*

27 *(D) One representative of allopathic primary care physicians*
28 *and surgeons.*

29 *(E) One representative of osteopathic primary care physicians*
30 *and surgeons.*

31 *(F) One representative of the office.*

32 *(2) Two persons who are not elected or appointed officials and*
33 *who have experience with GME shall be appointed by the Speaker*
34 *of the Assembly.*

35 *(3) Two persons who are not elected or appointed officials and*
36 *who have experience with GME shall be appointed by the Senate*
37 *Committee on Rules.*

38 *(b) The members of the Council, other than state employees,*
39 *shall receive compensation of twenty-five dollars (\$25) for each*
40 *day's attendance at a council meeting, in addition to actual and*

1 *necessary travel expenses incurred in the course of attendance at*
2 *a council meeting.*

3 *(c) The council shall do all of the following:*

4 *(1) Establish standards and develop criteria for medical*
5 *residency training program grants in California in consultation*
6 *with the office.*

7 *(2) Review and make recommendations to the Director of the*
8 *office concerning the funding of the medical residency training*
9 *programs.*

10 *(3) Establish criteria for medical residency training program*
11 *grant review.*

12 *(4) Require that medical residency training programs that*
13 *qualify be accredited by the Accreditation Council for Graduate*
14 *Medical Education or the American Osteopathic Association.*

15 *(d) The council shall submit to the Legislature an annual report*
16 *that includes all of the following:*

17 *(1) The number of medical residency training program grant*
18 *participants.*

19 *(2) The name and location of all practice settings with medical*
20 *residency training program grant participants.*

21 *(3) The amount expended for the medical residency training*
22 *program grants on each participant.*

23 *(4) Information on annual performance by the practice setting*
24 *and medical residency training program grant participants.*

25 *(e) (1) The report described in subdivision (d) shall be*
26 *submitted to the Legislature in the manner provided in Section*
27 *9795 of the Government Code.*

28 *(2) Subdivision (d) shall be inoperative on January 1, 2018, as*
29 *provided in Section 10231.5 of the Government Code.*